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1   UNITED STATES PATENT AND TRADEMARK OFFICE
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3
4   BEFORE THE BOARD OF PATENT APPEALS
5   AND INTERFERENCES
6   _____
7
8   *Ex parte* JAMES RICHARD KRAEMER
9   _____
10
11   Appeal 2009-003854
12   Application 09/685,398
13   Technology Center 3600
14   _____
15
16   Decided: February 16, 2010
17   _____
18
19
20 *Before* MURRIEL E. CRAWFORD, HUBERT C. LORIN, and ANTON W.
21 FETTING, *Administrative Patent Judges*.
22
23 CRAWFORD, *Administrative Patent Judge*.
24
25
26   DECISION ON APPEAL

1   STATEMENT OF THE CASE

2   Appellant appeals under 35 U.S.C. § 134 (2002) from a final rejection

3   of claims 1-31. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

4   Appellant invented systems and methods for automatically

5   rebalancing portfolios of assets to achieve optimality, whereby all

6   recommended rebalancing trade transactions can be automatically

7   implemented based on a customer's single response to an alert message

8   (Spec. 1:13-16).

9   Claim 1 under appeal is further illustrative of the claimed invention as

10 follows:

11   1.   A computer-implemented method of rebalancing a
12   portfolio of assets to achieve optimality, the method
13   comprising:

14   transmitting to a customer an alert message for alerting
15   an imbalance status of a customer's portfolio, and a list
16   comprising at least one recommended rebalancing transaction,
17   each recommended rebalancing transaction comprising asset
18   information identifying a specific asset, quantity information
19   identifying a specific number of units of the specific asset, and
20   transaction information comprising one of a buy instruction and
21   a sell instruction;

22   receiving from the customer a single response to the
23   transmitted alert message; and

24   automatically implementing the list comprising at least
25   one recommended rebalancing transaction based on the
26   received customer's response to cause execution of each
27   recommended rebalancing transaction.

28   The prior art relied upon by the Examiner in rejecting the claims on

29 appeal is:

30   Jones   US 7,016,870 B1   Mar. 21, 2006
31   Bove   US 7,149,713 B2   Dec. 12, 2006

2

1   The Examiner rejected claims 1-31 under 35 U.S.C. § 103(a) as being

2   unpatentable over Bove in view of Jones.

3   We AFFIRM-IN-PART.

4

5   ISSUES

6   Did the Appellant show the Examiner erred in asserting that a

7   combination of Bove and Jones renders obvious

8   transmitting to a customer an alert message
9   for alerting an imbalance status of a customer's
10   portfolio, and a list comprising at least one
11   recommended rebalancing transaction, each
12   recommended rebalancing transaction comprising
13   asset information identifying a specific asset,
14   quantity information identifying a specific number
15   of units of the specific asset, and transaction
16   information comprising one of a buy instruction
17   and a sell instruction[,]

18   as recited in independent claim 1?

19   Did the Appellant show the Examiner erred in asserting that a

20   combination of Bove and Jones renders obvious "wherein the transmitting is

21   performed via a first customer-defined communications method," as recited

22   in dependent claim 2?

23   Did the Appellant show the Examiner erred in asserting that a

24   combination of Bove and Jones renders obvious "wherein the customer's

25   response constitutes performing a single action by the customer," as recited

26   in dependent claim 4?

27   Did the Appellant show the Examiner erred in asserting that a

28   combination of Bove and Jones renders obvious "wherein the customer's

29   response is contained in a return e-mail from the customer, wherein the

1   return e-mail includes a transaction number identifying the list comprising at

2   least one recommended rebalancing transaction," as recited in dependent

3   claim 10?

4   Did the Appellant show the Examiner erred in asserting that a

5   combination of Bove and Jones renders obvious "wherein the customer's

6   response is received on paper, and wherein the paper includes an optical

7   code for retrieving the list comprising at least one recommended rebalancing

8   transaction, and verification information for verifying the identity of the

9   customer," as recited in dependent claim 11?

10   Did the Appellant show the Examiner erred in asserting that a

11   combination of Bove and Jones renders obvious "wherein the customer's

12   response is received as a voice sound, wherein the voice sound is recognized

13   using a voice recognition device," as recited in dependent claim 12?

14

15   FINDINGS OF FACT

16   *Specification*

17   Appellant invented systems and methods for automatically

18   rebalancing portfolios of assets to achieve optimality, whereby all

19   recommended rebalancing trade transactions can be automatically

20   implemented based on a customer's single response to an alert message

21   (Spec. 1:13-16).

22   It is desired to provide a method of facilitating the exchange of

23   currencies of local operating units into a preferred currency having a

24   premium rate of return (Spec. 2:3-4).

1   *Bove*

2   Bove discloses a computerized scheme for automating investment

3 planning for a client. In the scheme, data regarding the client's desired asset

4 allocation, current asset portfolio and preferred domain are input into a

5 computer or processor. This data is used to automatically generate financial

6 transaction recommendations for modifying the client's current asset

7 portfolio to reach as close as possible to the desired asset allocation and the

8 preferred domain.

9   The recommendations include specific recommendations for selling

10 amounts of selected current assets and specific recommendations for buying

11 amounts of one or more investment funds. The recommendations are

12 displayed on a summary report for review by the client or the client's

13 financial manager. The recommendations are used to sell amounts of

14 selected current assets or to buy amounts of one or more investment funds.

15 The recommendations may suggest that the client add specific amounts of

16 shares to currently held mutual funds, and/or open one or more new mutual

17 funds and contribute specific amounts of shares to the new funds (col. 1, l.

18 56 through col. 2, l. 14).

19   The executed computer program product accepts input data regarding

20 the investors, interchangeably referred to hereafter as "clients" or

21 "customers," and provides outputs in the form of recommendations on a

22 summary report or in the form of signals which execute automated buy/sell

23 trades based on recommendations determined by the program. The client

24 may interact with the executed computer program product directly, or a

1   financial counselor may provide the inputs on behalf of the client. The
2   description of the invention set forth below presumes that a counselor will
3   interact with a client to provide all of the necessary input data (col. 3, ll. 33-
4   42).
5   The Auto Rebalancing button causes the system to run the auto rebal
6   algorithm to determine how the customer's portfolio should be modified to
7   meet the target portfolio. The results of Auto Rebal will be displayed in the
8   Selected Funds window. The buy/sell amounts specified for the funds may
9   be changed by the counselor (col. 12, ll. 16-22).
10
11   *Jones*
12   At step 840, advice processing is performed. Based upon the user's
13 preference among the decision variables, the system may offer advice
14 regarding which decision variable should be modified to bring the portfolio
15 back on track to reach the one or more financial goals with the desired
16 probability. In addition, the system may recommend a reallocation to
17 improve efficiency of the portfolio. An alert may be generated to notify the
18 user of the advice and/or need for affirmative action on his/her part. As
19 described above, the alert may be displayed during a subsequent user session
20 with the financial advisory system 100 and/or the alerts may be transmitted
21 immediately to the user by telephone, fax, email, pager, fax, or similar
22 messaging system (col. 28, ll. 24-37).

1   PRINCIPLES OF LAW

2   *Obviousness*

3   One cannot show nonobviousness by attacking references individually

4   where the rejections are based on combinations of references. *In re Keller*,

5   642 F.2d 413, 426 (CCPA 1981).

6   To establish prima facie obviousness of a claimed invention, all the

7   claim limitations must be taught or suggested by the prior art. *In re Royka*,

8   490 F.2d 981, 984 (CCPA 1974).

9   The examiner bears the initial burden, on review of the prior art or on

10   any other ground, of presenting a prima facie case of unpatentability. If that

11   burden is met, the burden of coming forward with evidence or argument

12   shifts to the applicant. *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

13

14   ANALYSIS

15   *Independent Claim 1*

16   We are not persuaded of error on the part of the Examiner by

17   Appellant's argument that a combination of Bove and Jones does not render

18   obvious the transmitting step of independent claim 1 (App. Br. 6-7).

19   Appellant argues that Jones only discloses sending an alert message for the

20   availability of a new financial product or a need for rebalancing of a

21   portfolio, and not "a list comprising at least one recommended rebalancing

22   transaction, each recommended rebalancing transaction comprising asset

23   information identifying a specific asset, quantity information identifying a

24   specific number of units of the specific asset, and transaction information

25   comprising one of a buy instruction and a sell instruction," as claimed.

26   However, Jones is cited for sending an alert message for a need for

7

1   rebalancing of a portfolio, and Bove is cited for the specifics of the

2   rebalancing, namely, "financial transaction recommendations for modifying

3   the client's current asset portfolio to reach as close as possible to the desired

4   asset allocation and the preferred domain," (col. 1, ll. 63-66) including

5   "specific recommendations for selling amounts of selected current assets and

6   specific recommendations for buying amounts of one or more investment

7   funds" (col. 1, l. 66 through col. 2, l. 2). *See In re Keller*, 642 F.2d at 426.

8

9   *Claims 5-9, 13-17, and 29-31*

10   Appellant argues that independent claims 16 and 29 are allowable for

11 the same reasons independent claim 1 is allowable (App. Br. 11-12, 14). As

12 Appellant has not shown how the Examiner erred in rejecting independent

13 claim 1, the rejections of independent claims 16 and 29 are sustained.

14   Appellant does not set forth any additional arguments concerning any

15 errors made by the Examiner specific to the rejections of the additional

16 subject matter set forth in any of dependent claims 5-9, 13-15, 17, 20-22, 26-

17 28, 30, and 31 (App. Br. 7, 11-14). These rejections are also sustained.

18

19   *Customer-Defined Communications Method*

20   We are persuaded of error on the part of the Examiner by Appellant's

21 argument that a combination of Bove and Jones does not render obvious

22 "wherein the transmitting is performed via a first customer-defined

23 communications method," as recited in dependent claim 2 (App. Br. 8).

24 While Jones does list a myriad of communications methods via which the

25 alerts may be sent to the customer (col. 28, ll. 33-37), there is no indication

26 in Jones that any of these communications methods are customer-defined as

1 set forth in the claim. *See In re Royka*, 490 F.2d at 984. Indeed, the

2 aforementioned portion of Jones is silent as to how specific communications

3 methods are chosen for delivering the alert to the customer, and the

4 Examiner has not met the burden of setting forth a prima facie case of how

5 such a modification of Jones would have been obvious. *See In re Oetiker*,

6 977 F.2d at 1445.

7   By virtue of its dependence from claim 2, we also do not sustain the

8 rejection of dependent claim 3.

9   As dependent claims 18 recites subject matter similar to dependent

10 claim 3, we also do not sustain the rejection of dependent claim 18.

11

12   *Single Action*

13   We are persuaded of error on the part of the Examiner by Appellant's

14 argument that a combination of Bove and Jones does not render obvious

15 "wherein the customer's response constitutes performing a single action by

16 the customer," as recited in dependent claim 4 (App. Br. 10). The portions

17 of Bove cited by the Examiner disclose providing recommendations to the

18 client in a summary report, and executing transactions based on those

19 recommendations (col. 1, l. 56 through col. 2, l. 14). The portions of Jones

20 cited by the Examiner disclose alerting the user to take affirmative actions.

21 While Bove discloses that the "client may interact with the executed

22 computer program product directly" in order to execute the transactions

23 based on the recommendations (col. 3, ll. 37-40), and it logically flows from

24 the aforementioned disclosure of Jones that the user will take *some* action in

25 response to the alert, neither cited portion discloses exactly *what* those

26 actions are, let alone that the action is a single action, as recited in dependent

claim 4. *See In re Royka*, 490 F.2d at 984. Moreover, the Examiner has not

shown how a modification of Bove and Jones to include such a single action

would have been obvious. *See In re Oetiker*, 977 F.2d at 1445.

As dependent claims 19 recites subject matter similar to dependent

claim 4, we also do not sustain the rejection of dependent claim 19.

Return E-mail/Paper Optical Code/Voice Sound Response

We are persuaded of error on the part of the Examiner by Appellant's

argument that a combination of Bove and Jones does not render obvious that

the customer's response is contained in a return e-mail/paper optical

code/voice sound from the customer, as recited in dependent claims 10, 11,

and 12 (App. Br. 10-11). As set forth above with respect to dependent claim

4, the cited portions of Bove and Jones do not disclose any specifics of how

the customer responds to the alert message, let alone that the response is in a

return e-mail/paper optical code/voice sound. *See In re Royka*, 490 F.2d at

984. Moreover, the Examiner has not shown how a modification of Bove

and Jones to include a return e-mail/paper optical code/voice sound response

would have been obvious. *See In re Oetiker*, 977 F.2d at 1445.

As dependent claims 23, 24, and 25 recite subject matter similar to

dependent claims 10, 11, and 12, we also do not sustain the rejections of

dependent claim 23, 24, and 25.

1   CONCLUSION OF LAW

2   On the record before us, Appellant has shown that the Examiner erred

3 in rejecting claims 2-4, 10-12, 18, 19, and 23-25.

4   On the record before us, Appellant has not shown that the Examiner

5 erred in rejecting claims 1, 5-9, 13-17, 20-22, and 26-31.

6

7   DECISION

8   The Examiner's rejection of claims 1, 5-9, 13-17, 20-22, and 26-31 is

9 sustained.

10   The Examiner's rejection of claims 2-4, 10-12, 18, 19, and 23-25 is

11 not sustained.

12   No time period for taking any subsequent action in connection with

13 this appeal may be extended under 37 C.F.R. § 1.136(a) (2007).

14

15   AFFIRMED-IN-PART

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